

IN THE CHANCERY COURT OF THE STATE OF TENNESSEE  
20th JUDICIAL DISTRICT, DAVIDSON COUNTY

STATE OF TENNESSEE, ex rel. PAULA A. FLOWERS, )  
Commissioner of Commerce and Insurance etc. )

Petitioner, )

vs. )

TENNESSEE TRUCKING ASSOCIATION SELF )  
INSURANCE GROUP TRUST; etc. )

Respondents. )

[Liquidation] )

No. 04-245-III

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STATE OF TENNESSEE, ex rel. PAULA A. FLOWERS )  
Commissioner of Commerce and Insurance )  
for the State of Tennessee, )  
*on behalf of employees secured by Surety Bond for* )  
*Tennessee Trucking Association - Self Insurance Group* )  
*Trust for Covered Injuries from 12-1-2001 thru 1-29-2003* )

Petitioner, )

vs. )

MIDWEST EMPLOYERS CASUALTY COMPANY, )

Ancillary Respondent. )

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**VERIFIED ANCILLARY PETITION FOR ENTRY OF CONSENT ORDER ON A BOND  
SECURING TENNESSEE TRUCKING ASSOCIATION, SELF INSURANCE GROUP  
TRUST; FOR RECEIVERSHIP/ADMINISTRATION OF FUND, INJUNCTIVE RELIEF;  
REQUEST FOR ISSUANCE OF ORDER SETTING EXPEDITED HEARING**

Comes now the State of Tennessee, by Paula A. Flowers, in her official capacity as  
Commissioner of the Tennessee Department of Commerce and Insurance, through her counsel  
the Attorney General's Office, and alleges this Verified Ancillary Petition against Ancillary  
Respondent Midwest Employers Casualty Company ("Midwest"), in which Midwest consents  
under the attached Consent Order to pay bond proceeds under order of this Court. The proceeds  
would be made available for disposition by the Commissioner under the control of this Court for

the benefit of eligible claimants who file workers' compensation claims against the Tennessee Trucking Association Self Insurance Group Trust ("TTA-SIGT").

1. This Verified Ancillary Petition is alleged to be so closely related to and derivative of findings and claims made through the Liquidation of the Tennessee Trucking Association Self Insurance Group Trust (TTA-SIGT Liquidation), that the Commissioner asserts it should properly be brought as an adjunct to the TTA-SIGT Liquidation, as it could be appropriately initiated as a separate suit and then transferred from another part to this part. The hearing of this matter by the same Court as the liquidation court will produce administrative and judicial efficiency, especially as claims filed in the liquidation should constitute claims that may be covered or reduced in whole or part by the Bond.

2. The underlying suit was commenced by Petition filed on January 26, 2004, and on February 6, 2004, this Court granted the Final Liquidation Order against the Tennessee Trucking Association Self Insurance Group Trust. Under the Liquidation Order, the TTA-SIGT was found to be insolvent, in a hazardous financial condition with a deficit approaching \$7 million. All claims of whatever nature against the TTA-SIGT have been required to be brought only through the claimant filing Proof of Claim in this action by the bar date established in the liquidation. Other than medical and temporary benefits, the TTA-SIGT has been unable to pay most types of claims since the liquidation.

3. As her Ancillary Petition for equitable receivership of certain Bond Funds, in her capacity under Tenn. Code Ann. § 50-6-405 on behalf of the covered employees, the Commissioner seeks from the Respondent Midwest Employers Casualty Company the proceeds of a \$500,000 Group Self Insurance Bond to the State for the outstanding self-insured Tennessee

workers' compensation liability incurred from December 1, 2001 through January 29, 2003 of the Tennessee Trucking Association Self Insurance Group Trust. The order would discharge the bond company from any further liability on the bond once it paid the \$500,000. The Commissioner seeks related injunctions and permission to accept as claims amounts against the bond proceeds only those claims incurred within the coverage period of the bond, as approved through the liquidation. Thus, any claims cognizable against the bond will be identifiable within the larger group of claims filed against the TTA-SIGT Liquidation.

#### **JURISDICTION AND VENUE**

4. The Davidson County Chancery Court has jurisdiction for purposes of granting the relief herein, including an injunction and affording equitable relief related to administering these funds to be held by the Commissioner. This Court has power to grant an injunction under Tenn. Code Ann. § 29-1-101 and §§ 29-1-105-106 to enjoin multiple lawsuits and to grant a receiver for the safekeeping, collection, management and disposition of property in litigation, whenever necessary to the ends of substantial justice. Tenn. Code Ann. § 29-1-103. Under rules promulgated under Tenn. Code Ann. § 50-6-405(c) for Self-Insured Workers Compensation Pools, the bond which is the subject of this suit may be enforced by the State, for the benefit of employees of members of the TTA-SIGT. Venue is proper in Davidson County.

#### **THE PARTIES**

5. The Petitioner is Paula A. Flowers, in her official capacity as the duly appointed Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner"). The Commissioner is responsible under state workers' compensation statutes pertaining to the regulation of employers' workers' compensation insurance to review proof of employers'

financial ability to pay workers' compensation obligations and to take security filed by self-insured employers and self insurance groups for the benefit of workers' compensation claimants under the provisions of Tenn. Code Ann. § 50-6-405. The Commissioner brings this Ancillary Petition under her authority to administer security filed under that statute, for the State, which is the named obligee of the subject bond.

6. The TTA-SIGT, consisting of several trucking carrier members, was a self insurance group that provided the workers' compensation coverage to members under certain agreements among the members over various fund years since its inception, including 2002-2003. TTA-SIGT is being liquidated by the Commissioner in this Court under Tenn. Code Ann. § 56-9-306 *et seq.* due to insolvency as shown by financial reports and statements of the TTA-SIGT. Because the TTA-SIGT is in liquidation and is not subject to suit, all claims, including all those for workers' compensation benefits claims, only may be made against it through filing of proofs of claims that are required by the liquidation. The TTA-SIGT overall workers' compensation coverage period predates, and extends later than the subject bond coverage period.

7. The Respondent is Midwest Employers Casualty Company ("Midwest"), an insurance company with principal offices at 14755 North Outer Forty Drive, Suite 300, Chesterfield, Missouri 63017, that is licensed to do insurance business in Tennessee. Midwest issued Bond No. BO16TN for \$500,000.00, ("the Midwest Bond") relating to TTA-SIGT which is the subject of this action, a true and correct copy of which is attached hereto as Exhibit B. The Midwest Bond was effective December 1, 2001, and canceled by 30-days notice to the Commissioner given on December 30, 2002, so that the Bond remained effective through January 29, 2003, for coverage of claims incurred within those dates ("The Bond Coverage

Period”). The terms of the Midwest Bond are incorporated herein by this reference. Midwest has been notified that the Commissioner is going to call the bond through this action and consents to payment of the bond under the terms of the proposed Consent Order. Respondent Midwest has executed a Consent Order on its bond, a copy of which is attached to this Ancillary Petition as Exhibit A. Respondent Midwest waives summons and the right to be heard before entry of this Consent Order.

### **BACKGROUND TO BOND LIABILITY**

8. The Midwest Bond is written in favor of the State and Commissioner but held in a fiduciary capacity for the benefit of the covered employees under Tenn. Code Ann. § 50-6-405. The bond proceeds are not an asset of the liquidation estate of TTA-SIGT. The rules for Self-insured Workers’ Compensation Pools promulgated under Tenn. Code Ann. § 50-6-405, establish the bond for the benefit of the State solely to pay claims and associated expenses, and make the bond payable upon the failure of TTA-SIGT to pay workers’ compensation benefits it is legally obligated to pay. The Commissioner is informed and believes because of her authority over the liquidation of TTA-SIGT, based on TTA-SIGT claims information received through the Liquidation and financial reports, that the outstanding liabilities to employees with injuries dating from the Bond Coverage Period which TTA-SIGT is currently unable to pay greatly exceed \$500,000.00.

9. The Midwest Bond was filed with the Department as a condition of TTA-SIGT’s maintenance of a certificate of approval to be a workers’ compensation self insurance group as required by the workers’ compensation self insurance group rules promulgated by the Commissioner, Rules of the Tennessee Department of Commerce and Insurance, Division of

Insurance, Chapter 0780-1-54. These rules provide for the solvency, administration and enforcement of such groups' pooling agreements for groups formed under Tenn. Code Ann. § 50-6-405(c).

10. Tenn. Comp. Rules and Regs., Rule 0780-1-54-.04(2) states in relevant part:

To obtain and to maintain its certificate of approval, a workers' compensation self-insurance group shall comply with the following requirements as well as any other requirements established by law or regulation: [] . . .

(b) Security in a form and amount prescribed by the commissioner which shall be provided by either a surety bond, security deposit or financial security endorsement or any combination thereof. *If a surety bond is used to meet the security requirement, it shall be issued by a corporate surety company authorized to transact business in this state. [] **The bond, security deposit or financial security endorsement shall be:***

1. ***For the benefit of the state solely to pay claims and associated expenses; and,***

2. ***Payable upon the failure of the group to pay workers' compensation benefits it is legally obligated to pay. . . .***

(Emphasis added).

11. TTA-SIGT satisfied the requirement under Tenn. Code Ann. § 50-6-405(c) and the rule by providing a statutory Bond effective for the Bond Coverage Period with a maximum penal sum of \$500,000, and recites that it is a:

...direct obligation by the Principal and Surety herein either jointly or severally, to the person who may [be] entitle[d](sic) to such sum for medical, surgical and other services, funeral expenses or compensation and **may be sued upon and enforced in the name or names of such person or persons.**

(See Exhibit B). The bond required by the Department further recites that upon cancellation,

...the liability of the Surety shall, at the expiration of the said thirty (30) days, cease and determine, ... except as to such liability of the Principal on account of injury or death to any covered employees, as may have accrued prior to the expiration of the thirty (30) days, ***it being understood that the Surety shall be liable, within the penal sum mentioned herein, for the default of the Principal***

*in fully discharging any liability on its part accruing during the life of this obligation.*

(Emphasis added.) (See Exhibit B). This language required by the Commissioner in Tennessee imposes continuing liability to the surety for all defaults in workers' compensation obligations arising out of injuries or death of covered employees which occurred during the period of time covered by the surety bond, upon the default of the pool.

12. Further, Midwest is liable for \$500,000. The Tennessee Supreme Court recently affirmed that in instances of such self-insurance bonds required by the Commissioner and Tenn. Code Ann. § 50-6-405, the wording of the required bond makes the surety liable up to the penal sum expressed on the face of the bond. *State of Tennessee, ex rel. Pope vs. United States Fire Insurance Company et al.*, 145 S.W.3d 529 (Tenn. 2004). The sureties who faced liabilities expected to exceed the penalty sums were required to deposit the face amount of the bonds to cover workers' compensation obligations. *Id.*

## **COUNT I**

### **DECLARATION OF DEFAULT BY TTA-SIGT AND AGREED ORDER FOR SURETY TO PAY THE PENALTY SUM**

13. **Event of Default.** Because of the liquidation of TTA-SIGT, and the discontinuation of normal workers' compensation payments, other than emergency TTD (temporary total disability) or medical payments, on its self-insured workers' compensation claims since the liquidation started on February 6, 2004, the group has failed to pay workers' compensation benefits it is legally obligated to pay. Pursuant to Rule 0780-1-54-.04(2), the Midwest Bond is now payable.

14. In liquidation, suits against the TTA-SIGT are permanently enjoined, and actions against members are stayed for which payment by TTA-SIGT is sought through a Proof of Claim. Because claimants may be required to await payment in the liquidation on their claims, and may be subject to potential pro-rata reductions in claims, the Commissioner deems that proceeds of the Midwest Bond are needed immediately. The Commissioner seeks immediate recovery of the penalty sum of the bond, \$500,000, which sum the Commissioner proposes to be used as a collateral source to alleviate/pay or partially pay benefit claims under a plan approved by this Court. The Commissioner alleges that the Midwest Bond penalty sum of \$500,000, is insufficient to meet the deficit or unpaid claims estimated for the Bond Coverage Period and that, therefore, given the probable exhaustion of the security, good cause exists for the entire amount to be paid to the Commissioner pending its disposition to be ordered by this Court.

15. The Commissioner seeks a declaration that the total liability of the Midwest Bond to the State for the use and benefit of the employees is the maximum penal sum of the bond, pursuant to the language of the Bond and the statute, \$500,000.00, for injuries occurring during the Bond Coverage Period. Upon Midwest paying the penalty sum of its bond, the bond company should be ordered released from any further liability on account of the bond.

**ORDER FOR ADMINISTRATION OF  
BOND FUNDS, NOTICE, AND RECEIVER**

16. The Commissioner also requests this Court to formally direct her to act in her official capacity as a receiver for the Bond for the benefit of the claimants in the liquidation action relating to the Bond Coverage Period. After any payouts to claimants, remaining amounts shall be paid back to the Bond Company in accordance with an order of the Court specifying



such amounts. While held by the Commissioner, the funds shall be deposited under a segregated interest bearing account under the control of the Commissioner to which she has access, such as the Local Government Investment Pool or state investment pool segregated funds.

17. This Ancillary Petition also seeks a centralized, equitable framework for the identification and payment of such claims that will direct the disposition of bond funds. The Commissioner requests this Court to order the administration of the Midwest Bond proceeds and judicially supervise the process upon recommendation of a payment plan by the Commissioner which she shall file after entry of the Order.

18. Tenn. Code Ann. § 29-1-103, the general authority for receivership in the Courts of this State, vests all courts of record with power to appoint receivers for the safekeeping, collection, management, and disposition of property within the subject matter of litigation in such court, whenever necessary to the ends of substantial justice, in like manner as receivers are appointed by courts of chancery. Likewise, under long standing equity principles, securities deposited under the requirements of statute with a state officer by an insurance company for the security and benefit of policyholders and creditors were not subject to attachment at law, but they could have been impounded in chancery. *Pennebaker v. Tomlinson*, 1 Cooper's Tenn. Ch. 111 (1873); *Pennebaker v. Tomlinson*, 1 Cooper's Tenn. Ch. 594 (1874). For the purpose of administering and distributing the assets of a corporation so as to do justice to all the parties, one chancery court may enjoin the prosecution of separate suits in that court or other chancery courts, and draw all the litigation into one case, so that it may be conducted as an insolvency proceeding.

19. **Injunction and Centralized Administration to Avoid Irreparable Harm and Conflicting Rulings.** Under Tenn. Code Ann. § 50-6-405, the Bond is for the benefit of injured

employees of the members of TTA-SIGT. Were each claimant to bring a separate action attempting to enforce the Bond, this could lead to multiple conflicting rulings, unmanageable administration, or claims being made years in the future. There is good cause for entry of a temporary injunction and order of administration to prevent the lack of accountability and finality that may occur if the Bond Company defends all the claims individually without oversight in one case. The temporary injunction, the interim relief relating to how claims will be recognized against any proceeds, and the subsequent permanent injunctive relief, prevent irreparable harm to claimants and the fund, of making payments and then receiving any challenge that payments were unfair. Therefore, this Chancery Court upon taking equitable jurisdiction over the Bond will have good cause to afford temporary and permanent injunctive relief against other lawsuits and procedures to obtain these limited proceeds.

20. The Liquidation proof of claim deadline is December 31, 2004, and the late-filed claim bar date was March 31, 2005. The employee claims covered by the Midwest Bond must be included within the proofs of claim that may be filed against TTA-SIGT. For administrative efficiency (and to relieve claimants of the burden of filing duplicate claims for the same injuries to seek payment out of the Midwest Bond), the Commissioner proposes that claimants need not file any other claim. The Commissioner, who is also the Liquidator of TTA-SIGT, shall in her dual capacity, take notice of the claims and all supporting information filed in the liquidation, and propose to this Court how those claims may be entitled to share in the Bond Proceeds. The Commissioner shall only make payment upon approved application to this Court. The Commissioner has identified those claimants who have filed proofs of claims relating to injuries in the Bond Coverage Period whose claims remain unresolved in the Liquidation or have Claims

approved but not fully paid. They are receiving copies of this Petition and will later receive notice of the motion to propose a payment plan.

21. The Commissioner requires a reasonable period, after the entry of an Order obtaining the Bond Proceeds to move this Court for a proper method for disposition of Bond proceeds. Accordingly, also, there will be no separate administrative expense required to process and determine the relevant claims. Notice to affected claimants would be given through the proposal and Commissioner's motion to approve a plan for disposition of the Bond funds, which may be for the purpose of defraying or withdrawing a portion of the claims that pertain to the Coverage Period.

22. The Commissioner requests this Court to limit claims against the Bond to those accepted, approved and paid through this action and bar all other such actions or claims against Midwest, the Commissioner, or the State of Tennessee with respect to claims under Tenn. Code Ann. § 50-6-405 under the Bond.

23. Accordingly, the terms of the order deemed necessary to accomplish this administration are pled at the conclusion of the petition and in the Consent Order proposed herewith. For all the foregoing reasons, the Commissioner respectfully requests that the Consent Order at Exhibit A be granted and entered at the earliest opportunity. Respondent Midwest has waived hearing prior to entry of the Consent Order.

#### **EXPEDITED HEARING REQUEST**

24. The petitioner requests that this Court permit notice issue to Ancillary Respondent Midwest of a prompt hearing date on this Petition, and that notice of such hearing be contained in a Proposed Order Setting Hearing, (filed herewith) to be served on Midwest and the TTA-SIGT

liquidation service list. Because the requested administration imposes no further duties on any claimants against the TTA-SIGT in order to present any claim that may be payable out of the Bond, there is no reason to delay the entry of the Consent Order.

WHEREFORE, premises considered, Petitioner prays as follows:

1. That this Court enter the Consent Order, and for that purpose permit notice to Respondent Midwest Employers Casualty Company, and set a date and time for hearing, with notice to the parties of the liquidation case, of a Hearing to consider whether to grant this Petition and entry of the Consent Order attached hereto as Exhibit A.

2. That, as more fully set forth in the Consent Order, the Court declare the total liability of Respondent Midwest on the Midwest Bond to the State for the use and benefit of the employees and dependents entitled to workers' compensation benefits as the maximum penal sum of Respondent Midwest's bond in the amount of \$500,000.00. for the period December 1, 2001 through January 29, 2003; and that the Court order Respondent Midwest to turn over the penal sum of its Bond, \$500,000.00, (the Bond Funds) to the State of Tennessee, Commissioner of Commerce and Insurance, to be used for and pending the outcome of the claims administration in this case, and the orders of the Court designating the use of the funds. That upon Respondent paying the penal sum as aforesaid to the Commissioner, who shall place the funds in a separate, interest bearing account, the bond shall be fully discharged and Midwest shall be released from any further liability.

3. That preliminary and permanent injunctive relief and related administration of the bond be accorded in the terms set forth in the Consent Order.

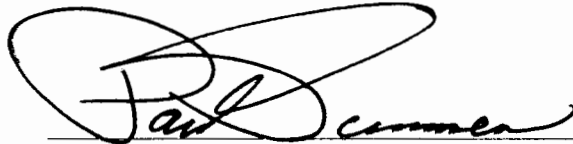
4. That Midwest not be required to file a response to this Petition prior to entry of the Consent Order and that summons be waived.

5. That this Ancillary Petition be filed without cost bond as provided by Tenn. Code Ann. § 20-13-101.

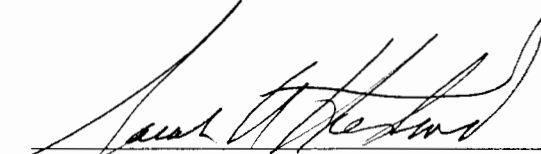
6. For the award of any and all further, general and equitable relief to which the State may be entitled.

THIS IS THE FIRST REQUEST FOR EXTRAORDINARY RELIEF WITH RESPECT TO THE ANCILLARY PETITION AGAINST THE BOND COMPANY.

Respectfully submitted,



PAUL G. SUMMERS (BPR 6285)  
Attorney General  
State of Tennessee



SARAH A. HIESTAND (BPR 14217)  
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Financial Division  
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Attorneys for Petitioner Paula A. Flowers,  
Commissioner of the Tennessee Department of  
Commerce and Insurance

**IN THE CHANCERY COURT OF THE STATE OF TENNESSEE  
20th JUDICIAL DISTRICT, DAVIDSON COUNTY**

STATE OF TENNESSEE, ex rel. PAULA A. FLOWERS, )	)	
Commissioner of Commerce and Insurance etc. )	)	
Petitioner, )	)	<b>No. 04-245-III</b>
vs. )	)	
TENNESSEE TRUCKING ASSOCIATION SELF )	)	
INSURANCE GROUP TRUST; etc. )	)	
Respondents. )	)	
[Liquidation] )	)	
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STATE OF TENNESSEE, ex rel. )	)	
PAULA A. FLOWERS, Commissioner of Commerce )	)	
and Insurance for the State of Tennessee, )	)	
<i>on behalf of claimants entitled to Surety Bond held by )</i>	)	
<i>Commissioner for Tennessee Trucking Association - Self )</i>	)	
<i>Insurance Group Trust, for Covered Injuries )</i>	)	
<i>from 12-1-2001 through 1-29-2003 )</i>	)	
Petitioner, )	)	
vs. )	)	
MIDWEST EMPLOYERS CASUALTY COMPANY, )	)	
Respondent. )	)	
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**VERIFICATION AFFIDAVIT OF COMMISSIONER**

1. I, Paula A. Flowers, am the Commissioner of the Department of Commerce and Insurance for the State of Tennessee and the petitioner in the foregoing action regarding Bond.

2. I have read the Verified Ancillary Petition and swear that the information contained therein is true and correct to the best of my knowledge, information and belief. The Bond attached to the Petition is certified to be a true and correct copy of such Bond found in the official records of the Insurance Division.

3. The Order requested by the foregoing Petition, the preliminary injunction and the request for expedited hearing to recover the bond proceeds are needed to allow the workers'

compensation claimants who might have recourse to the Midwest Bond to have prompt access to such funds through the establishment of the administration of the bond proceeds. I seek the orders to obtain control of the funds, and to clarify that any claims for benefits from the bond funds would be made by reliance on the existing liquidation claim process. The procedure would assure that the bond funds are made available in this State as intended by the law and for the prompt payment of any and all approved payments made by this Court. The Order will also protect the Bond Company and this Department from the irreparable harm of any multiple or competing lawsuits seeking payment, and to conserve the Bond proceeds equitably for the statutory purpose of the use and benefit of all the employee claimants.

Further affiant sayeth nought.

Paula A. Flowers

PAULA A. FLOWERS

Commissioner, Department of Commerce and  
Insurance for the State of Tennessee

SWORN TO AND SUBSCRIBED before me on this 18<sup>th</sup> day of May, 2005.

Andrew Wink Hardy

NOTARY PUBLIC

My Commission Expires: Nov. 26, 2005

IN THE CHANCERY COURT OF THE STATE OF TENNESSEE  
20th JUDICIAL DISTRICT, DAVIDSON COUNTY

STATE OF TENNESSEE, ex rel. PAULA A. FLOWERS, )		
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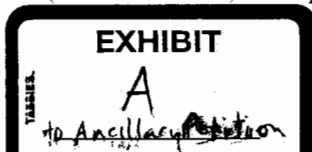
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STATE OF TENNESSEE, ex rel. PAULA A. FLOWERS )	
Commissioner of Commerce and Insurance )	
for the State of Tennessee, )	
<i>on behalf of employees secured by Surety Bond for )</i>	
<i>Tennessee Trucking Association - Self Insurance Group )</i>	
<i>Trust for Covered Injuries from 12-1-2001 thru 1-29-2003)</i>	
Petitioner, )	
vs. )	
MIDWEST EMPLOYERS CASUALTY COMPANY, )	
Ancillary Respondent. )	

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**CONSENT ORDER ON A BOND SECURING CERTAIN OBLIGATIONS OF  
TENNESSEE TRUCKING ASSOCIATION, SELF INSURANCE GROUP TRUST; FOR  
RECEIVERSHIP/ADMINISTRATION OF FUND, PRELIMINARY AND PERMANENT  
INJUNCTIVE RELIEF**

This matter came to be heard upon the request of Ancillary Petitioner Paula A. Flowers, in her official capacity as Commissioner of Commerce and Insurance for the State of Tennessee, through her counsel the Attorney General's Office, and Ancillary Respondent Midwest Employers Casualty Company ("Midwest"), as indicated by their authorized signatures below with the benefit of counsel, consenting subject to approval of this Court to the following order on a bond securing certain workers compensation obligations of the Tennessee Trucking Association, Self Insurance Group Trust ("TTA-SIGT") in liquidation. Based on the pleadings,





the consent of the Bond Company Respondent, and the record as a whole, this Court FINDS as follows:

1. The Commissioner has determined, and Respondent Midwest consents, that an order for payment of the proceeds of the Midwest Bond described in the Petition, is necessary. As more fully set forth in the Petition, and the record herein, TTA-SIGT is an insolvent self insurance group being liquidated by the Commissioner. The Respondent is Midwest Employers Casualty Company (“Midwest”), an insurance company with principal offices at 14755 North Outer Forty Drive, Suite 300, Chesterfield, Missouri 63017, that is licensed to do insurance business in Tennessee. Midwest issued Bond No. BO16TN for \$500,000.00, (“the Midwest Bond”) relating to TTA-SIGT attached as Exhibit B to the Petition. The Midwest Bond was effective December 1, 2001, and cancelled by 30-days notice to the Commissioner given on December 30, 2002, so that the Bond remained effective through January 29, 2003, for coverage of claims incurred within those dates (“The Bond Coverage Period”). Midwest waives summons and consents to entry of this Order.

2. TTA-SIGT, in liquidation, has been unable to pay its self-insured workers’ compensation obligations from the Bond Coverage Period in Tennessee. This circumstance under Tenn. Code Ann. § 50-6-405(c) and the rules thereunder, particularly, Rule 0780-1-54-.04, triggers resort to bond proceeds posted as security for the faithful discharge of these self-insured obligations. The administration of the Bond posted under Tenn. Code Ann. § 50-6-405 is charged to the Commissioner.

THEREFORE, this Court hereby ORDERS, ADJUDGES AND DECREES pursuant to the Ancillary Petition as follows:

1. The Court declares the total liability of Respondent Midwest on the Midwest Bond to the State for the use and benefit of the employees and dependents entitled to workers' compensation benefits as the maximum penal sum of Respondent Midwest's bond, in the amount of \$500,000.00. (Five Hundred Thousand Dollars) for the period December 1, 2001 through January 29, 2003. This Court hereby orders Respondent Midwest to turn over the penal sum of its Bond, \$500,000.00, (the Bond Funds) to the State of Tennessee, Commissioner of Commerce and Insurance, to be used for and pending the outcome of the claims administration in this case, and the orders of the Court designating the use of the funds.

2. **Discharge: That upon Ancillary Respondent Midwest paying the \$500,000 penal sum as aforesaid to the Commissioner, who shall place the funds in separate, interest bearing account, the bond shall be fully discharged and Midwest shall be released from any further liability.** Any failure of Midwest to make payment shall be promptly reported to the Court to make such further orders as appropriate. The Commissioner shall account and report to the Court as to the date of receipt of such sums.

3. **Cooperation Agreement:** Upon payment of the Bond, the State of Tennessee, through its Attorney General's Office, agrees to cooperate with Midwest in the defense of any action that may be brought against Midwest for the collection of any amounts under the Bond, as such actions violate the injunctions and discharge provisions of this Order. Further, the State of Tennessee agrees upon the request of Midwest, to participate in any or all hearings and trials, by way of writing, affidavit, deposition or any method that a Court may find acceptable, and shall assist in ensuring that any and all Courts or similar legal bodies or any interested parties are made aware that Midwest has completely fulfilled its responsibilities under the Bond and can therefore

not be held liable for any allegations concerning payments under the Bond. By this agreement to cooperate, Midwest understands that the State of Tennessee shall not have any duty to indemnify Midwest for any of the costs associated with the defense of any future actions, and likewise, that Midwest will not be required to indemnify the State of Tennessee for any costs incurred in order to fulfill its obligations under this cooperation provision.

4. Upon consideration of the premises, this Court has good cause to issue the appropriate temporary injunctions to allow the administration of the Bond as an adjunct to the existing liquidation, through which timely Liquidation Proofs of Claims against TTA-SIGT shall be the exclusive method of making any claim that could be recognized against the Bond. In connection with such administration, the Court hereby appoints the Commissioner in her official capacity as a receiver (hereinafter “Receiver for the Bond”) for the administration of the Bond, with authority by law to administer the security posted in this case. The Commissioner, as Receiver for the Bond, or any delegee appointed by the Commissioner, may file such reports and required accountings ordered in the Plan of Receivership as an officer of the Court, and may use liquidation staff for such purpose. Further, the Court orders as follows:

#### **Order and Plan of Receivership and Temporary Injunction**

A. The Bond Funds held for the use and benefit of TTA-SIGT’s covered employees entitled to the benefits of Tennessee’s workers’ compensation law during the Bond Coverage Period of December 1, 2001 through January 29, 2003, shall be jointly administered by the Commissioner and as an adjunct to the liquidation receivership under the supervision of this Court, for the payment of due and properly owed self-insured workers’ compensation claims of or relating to TTA-SIGT’s covered Tennessee employees injured in the course and scope of their employment during the period of the employers’ self-insurance covered by the bond.

B. The Bond Funds shall be and remain deposited until paid out by court order, at interest, for the Commissioner and for the Court for the duration of this receivership, together with any Deposit proceeds, in the State of Tennessee Treasury Department State Investment

Pool/Local Government Investment Pool or State Investment Pool, or other fiduciary accounts available to her.

C. That the Commissioner as Receiver for the Bond or her designee well and truly perform the duties described herein and duly account for all monies and properties that may come into her hands and abide by and perform all things that the Commissioner shall be directed to do by this and further orders of this Court.

D. That any Tennessee employees of TTA-SIGT members otherwise entitled by law to receive benefits under the Tennessee workers' compensation statutes, and any other claimants who intend to or could make claim on any proceeds of the Bond Funds be paid out of Bond Funds according to a Plan to be filed by the Commissioner for disposition of the Bond Funds.

E. **Claims Filing Deadline and Bar Date:** The existing Liquidation claims filing deadlines and Liquidation Proof of Claim forms shall apply and govern any and all claims that might be allowed against the proceeds of the bonds. No additional or separate filing of a Proof of Claim shall be required or allowed.

F. **Injunction.** That the covered employees and any other individuals or entities who do or could make claim on the Bond Funds, who receive notice of this Order, be and hereby are restrained and enjoined from instituting any action, levy, attachment, or proceeding with any pending action, against the State, the Commissioner, TTA-SIGT, the Midwest or the Bond Funds seeking satisfaction of their claims against the Bond Funds described in this Order, except as such claims are allowed in this proceeding in accordance with this order or any subsequent order of this Court.

G. That the Commissioner be allowed to move this Court for any further instruction, orders or modifications of this order as may be necessary to accomplish the purposes of this administration and liquidation of Bond Funds.

H. **Evaluation of Claims.** All claims against the Bond funds shall be limited to the claims filed in and shall be no greater than the approved claim amount assigned in the Liquidation for a Proof of Claim. The Commissioner need not conduct any other evaluation of the claims besides the evaluations required by the Liquidation.

I. **Payments.** The Commissioner as Receiver for the Bond shall file a plan for the distribution of the bond proceeds upon or as a collateral source for the payment and reduction of Proofs of Claim against the Liquidation. The Receiver for the Bond shall distribute payment to holders of valid approved claims against the Bond Funds as determined by this Court.

J. After payment and disposition of all Bond Funds, the Commissioner shall submit to the Court a report of final payment within thirty (30) days after completion of disbursement of the proceeds of the Bond Funds to valid claimants. The Commissioner shall make proper and

appropriate accounting of all disbursement from the Bond Funds to the Court. Upon the Court acceptance of the Report, the Court's injunctions against further claims relating to the Bond Funds or their administration against the State, shall become permanent.

K. That the State's liability to claimants or any other persons with respect to the Bond Funds shall be limited to those payments and other expenses finally approved by this Court and actually made from the Bond Funds (defined to include any interest those proceeds may have accrued while held by the Commissioner or as otherwise ordered by this Court).

L. That if the allowed claims and administrative expenses do not exceed the Bond Funds, upon completion of the administration of the Bond, after all claims have been fully and finally settled, any remainder of funds are to be paid back to the Bond Company Respondent Midwest as specifically ordered by this Court.

5. This Order be entered without cost bond as provided by Tenn. Code Ann. § 20-13-101.

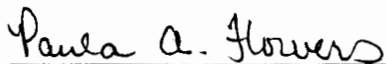
6. Copies of all pleadings and reports filed in this action shall be served on Counsel for the TTA-SIGT Liquidator, the undersigned Attorney General's Office, the Bond Company Respondent, and the party involved in the particular subject matter of the pleading. The Court may direct such other service as appropriate by further order.

IT IS SO ORDERED.

\_\_\_\_\_  
CHANCELLOR

Agreed and approved for entry by:

STATE OF TENNESSEE



PAULA A. FLOWERS, Commissioner  
Department of Commerce and Insurance

  
SARAH A. HIESTAND (14217)

Senior Counsel, Financial Division  
Office of the Attorney General

P. O. Box 20207  
Nashville, TN 37202-0207  
(615) 741-6035; fax 615-532-8223  
Attorneys for Petitioner Paula A. Flowers, Commissioner  
of the Tennessee Department of Commerce and Insurance

-and-

MECKLER BULGER & TILSON LLP

See next page BSO  
By: BRETT HEINRICH, ESQ.  
123 N. Wacker Drive, Suite 1800  
Chicago, IL 60606  
(312) 474-4481

HOLLINS, WAGSTER, YARBROUGH, WEATHERLY & RAYBIN, PC

Jacqueline Belle Dixon  
By: JACQUELINE BELLE DIXON (12054)  
424 Church Street, 22nd Floor  
Nashville, TN 37219  
(615) 256-6666; fax 615-254-4254

Attorneys for Midwest Employers Casualty Company

Agreed and approved for entry by:

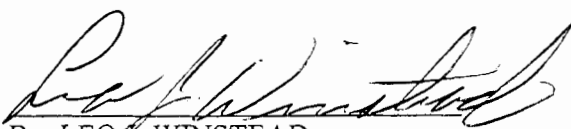
STATE OF TENNESSEE

*see other page SAH*  
\_\_\_\_\_  
PAULA A. FLOWERS, Commissioner  
Department of Commerce and Insurance

*see other page SAH*  
\_\_\_\_\_  
SARAH A. HIESTAND (14217)  
Senior Counsel, Financial Division  
Office of the Attorney General  
P. O. Box 20207  
Nashville, TN 37202-0207  
(615) 741-6035; fax 615-532-8223  
Attorneys for Petitioner Paula A. Flowers, Commissioner  
of the Tennessee Department of Commerce and Insurance

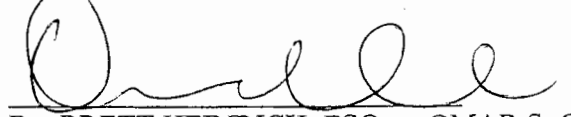
-and-

MIDWEST EMPLOYERS CASUALTY COMPANY

  
By: LEO J. WINSTEAD  
14755 North Outer Forty Drive, Suite 300  
Chesterfield, MO 63017  
(636) 449-7008

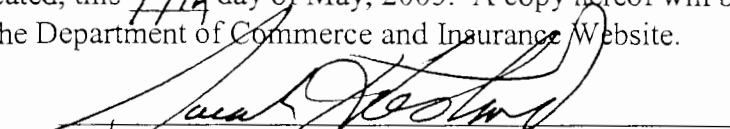
-and-

MECKLER BULGER & TILSON LLP

  
By: BRETT HEINRICH, ESQ. or OMAR S. ODLAND, ESQ.  
123 N. Wacker Drive, Suite 1800  
Chicago, IL 60606  
(312) 474-4481

CERTIFICATE OF SERVICE:

I hereby certify that copies of the foregoing Ancillary Petition, Consent Order, and Order Setting Expedited Hearing have been served upon the following interested parties by United States Mail, or otherwise as indicated, this 19<sup>th</sup> day of May, 2005. A copy hereof will be posted as soon as practicable to the Department of Commerce and Insurance Website.

  
\_\_\_\_\_  
SARAH A. HIESTAND

(Service list to TTASIGT Members, and affected Claimants Dec 2001-Jan 29, 2003)





COPY

RECEIVED  
JAN 31 2002

STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
500 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243-1132

SELF INSURANCE LINES DIV.  
DEPT. OF COMMERCE & INSURANCE

Bond No. B016TN

Effective

Date 12-1-01

### GROUP SELF-INSURANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that Tennessee Trucking Association Self Insurance Group Trust, a group self-insurance pool as defined in the laws of the State of Tennessee as Principal, Midwest Employers Casualty Company corporation duly incorporated under the laws of the State of Ohio as Surety, are held and firmly bound unto the State of Tennessee in the full and just sum of five hundred thousand dollars, current money of the United States, to be paid to the State of Tennessee, to the payment we hereby bind ourselves and each of us, our and each of our successors and assigns, jointly and severally, firmly by these presents, sealed with our seals and dated this 28<sup>th</sup> day of December, A.D., 2001.

WHEREAS, the above bounden Tennessee Trucking Association Self Insurance Group Trust did on the 15<sup>th</sup> day of October, A.D., 2001, file with the Commissioner of Insurance of the State of Tennessee its application for a certificate of authority for group self-insurance pool under T.C.A. Section 50-6-405 (c), of the laws of Tennessee.

AND WHEREAS, the Commissioner on the 1<sup>st</sup> day of December, A.D., 2001, granted the application for the certificate of authority upon condition that Tennessee Trucking Assn Self Insurance Group Trust group self-insurance pool enter into bond in the penalty of five hundred thousand dollars conditioned among other things that the pool shall abide by and perform the requirements of the aforesaid law with reference to paying or furnishing Compensation, medical or surgical services, etc., and the rules and regulations that are now or may hereafter be adopted by the Insurance Commissioner and the Workers' Compensation Division.

NOW, THEREFORE, the condition of this obligation is such that if the above bounden Tennessee Trucking Assn Self Insurance Group shall well and truly, from time to time, and at all times hereafter, abide by and perform all the requirements of the aforesaid Act and of any amendments thereto, respecting the payment of Compensation and furnishing at its own cost and expense, of medical, surgical and other services and funeral expenses to said employees and their dependents, then this obligation shall be void, otherwise to remain in full force and effect.

EXHIBIT

B

to Amended Petition

This Bond is and shall be construed to be a direct obligation by the Principal and Surety herein either jointly or severally, to the person who may entitle to such sum for medical, surgical and other services, funeral expenses or Compensation and may be sued upon and enforced in the name or names of such person or persons.

This Bond may be cancelled at any time by the Surety upon giving thirty (30) days written notice to the Commissioner of Insurance of the State of Tennessee, in which event liability of the Surety shall, at the expiration of the said thirty (30) days, cease and determine, except as to such liability of the Surety shall, at the expiration of the said thirty (30) days, cease and determine, except as to such liability of the Principal on account of injury or death to any covered employees, as may have accrued prior to the expiration of the thirty (30) days, it being understood that the Surety shall be liable, within the penal sum mentioned herein, for the default of the Principal in fully discharging any liability on its part accruing during the life of this obligation.

IN WITNESS WHEREOF, the said pool has caused these presents to be executed by the signature of the Chairman of its Board of Trustees, and the Surety has caused these presents to be executed by the signature of its President, and its corporate seal attached hereto, attested by its Secretary.

Tennessee Trucking Association  
Self Insurance Group Trust

Per *Daniel Butts*  
Chairman, Board of Trustees

Attest as to Seal:

*Jack [unclear]*

Midwest Employers Casualty Company

Per *Steven J. Link*  
President

Attest as to seal:

*Pamela A. Goldman*  
Secretary

Pamela A. Goldman  
Assistant Secretary

Steven J. Link  
Executive Vice President

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JAN 31 2002  
SELF INSURANCE PLUS LINES DIV.  
DEPT. OF COMMERCE & INSURANCE

APPOINTMENT OF ATTORNEY-IN-FACT BY INSURER

KNOW ALL MEN BY THESE PRESENTS, That the Midwest Employers Casualty Company of the State of Delaware has appointed and authorized the following to represent said company with the full power and authority to authorize and sign such surety bonds as are required by the State of Tennessee:

Melodee J. Saunders  
Melodee J. Saunders, President      St. Louis      Missouri  
City      State

Steven J. Link  
Steven J. Link, Executive Vice President      St. Louis      Missouri  
City      State

Melodee J. Saunders  
President

SEAL

Pamela A. Goldman  
Assistant Secretary

State of Missouri  
County of St. Louis

BE IT REMEMBERED, that on the 30<sup>th</sup> day of January 2002, before me personally appeared Melodee J. Saunders, President of the above named Corporation, who being duly sworn, deposes and says that she was personally present at the execution of the above Power of Attorney and saw the Common seal of the said Corporation of the Midwest Employers Casualty Company duly fixed thereto, and that the above Power of Attorney was duly signed, sealed and delivered by, as and for the Act and Deed of the said Midwest Employers Casualty Company for the uses and purposes therein mentioned, and that the name of this deponent subscribed to said Power of Attorney as President of said Corporation is of this deponent's own handwriting, and that the name of Pamela A. Goldman subscribed to said Power of Attorney as Assistant Secretary of said Corporation in attestation of the due execution and delivery of said Power of Attorney is of her own proper handwriting.

Sworn to and subscribed before me, Kathleen Wilson this 30<sup>th</sup>  
day of January, 2002.      notary public

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JAN 31 2002  
SELF INSURANCE DIV.  
DEPT. OF COMMERCE & INSURANCE



# Midwest Employers Casualty Company

A Member Company of the W.R. Berkley Corporation

# COPY

January 30, 2003

CERTIFIED MAIL

Ms. Linda Gay  
Department of Commerce and Industry  
500 James Robertson Parkway  
4th Floor, Self Insurance Section  
Nashville, TN 37243

Mr. Nick Marino  
Tennessee Trucking Association Self Insurance Group  
4531 Trousdale Drive  
Nashville, TN 37204

RE: Principal: Tennessee Trucking Association SI Group Trust  
Surety: Midwest Employers Casualty Company  
Bond Number: BO16TN  
Bond Amount: \$500,000  
Effective Date: December 1, 2000

Provisional notice having been sent on December 30, 2002, the above referenced surety bond is now cancelled. It is our understanding that replacement securities were delivered to the State on January 29, 2003.

Sincerely,

Charles F. Aebel  
Bond Underwriting Manager

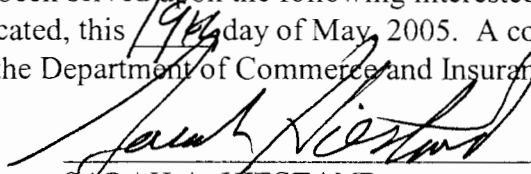
cc: Peter W. Shaw  
Dawn Wilson

RECEIVED  
FEB 06 2003

CERTIFICATE OF SERVICE:

I hereby certify that copies of the foregoing Ancillary Petition, Consent Order, and Order  
Setting Expedited Hearing have been served upon the following interested parties by United  
States Mail, or otherwise as indicated, this 19th day of May, 2005. A copy hereof will be  
posted as soon as practicable to the Department of Commerce and Insurance Website.

Simultaneously  
Lodged

  
\_\_\_\_\_  
SARAH A. HIESTAND

(Service list to TTASIGT Members and Persons w/outstanding Claims with date of loss Dec.  
2001-Jan 29, 2003)

<b>Co-Counsel to Liquidator</b> Renard A. Hirsch, Sr., Esq. William H. Stover, Esq. Smith, Hirsch, Blackshear & Harris, PLC The Nashville House One Vantage Way, Suite B-105 Nashville, TN 37228	<b>TTA-SIGT MEMBERS</b> John C. Lyell, II 211 7th Ave. N Suite 300 Nashville, TN 37219 <i>Counsel to Appellees Venture Express, Inc.</i> <i>Builders Transportation Company, LLC/First Express</i>	Roland M. Lowell, Esq. Bruce, Weathers, Corley & Lyle 315 Deaderick Street, Suite 2075 Nashville, TN 37238 <i>Counsel to Appellant/Applicant/Movants: Western Express, Inc.; Specialized Transportation Service, Inc.; Empire Express, Inc.; DCI Transportation, LLC; Christenberry Trucking and Farm, Inc.; Fineline Carriers, Inc., Ocoee River Transport, Inc., and member McCool Brothers, Inc.</i>
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#### SERVICE LIST OF MEMBERSHIP

D. Edward Harvey, Esq. Charles B. Welch, Jr., Esq. Farris, Matthews, Branan, Bobango, Hellen & Dunlap, PLC 618 Church Street, Suite 300 Nashville, TN 37219 <i>Co-Counsel to Appellant/Applicant/Movant Western Express, Inc.</i>	Lisa A. Houston, Esq. Spragins, Barnett, Cobb & Butler, PLC 312 E. LaFayette St. P.O. Box 2004 Jackson, TN 38302-2004 <i>Counsel to PDQ Warehouse &amp; Distribution, Inc.</i>	David L. Buuck, Esq. P.O. Box 9305 Knoxville, TN 37940 <i>Counsel to Appellant Christenberry Trucking and Farm, Inc.</i>
Christopher W. Cardwell, Esq. Mary Beth Hagan, Esq. Gullett, Sanford, Robinson & Martin, PLLC 315 Deaderick Street, 11th Floor P. O. Box 198888 Nashville, TN 37219-8888 <i>Counsel to Roane Transportation Services, LLC and PrintCo Enterprises, Inc.</i>	Henry E. Seaton, Esq. Seaton & Husk, L.P. 2240 Gallows Road Vienna, VA 22182 <i>Counsel to Factory &amp; Steel Transportation, Inc. d/b/a Fastrans Libby LLC, Sharp Transport, Inc., South East Carriers, and Stephens Carriers, Inc.</i>	Michael J. Vetter, Esq. H. Fredrick Zimmermann, Esq. Spicer, Flynn & Rudstrom, Esq. 211 Seventh Ave. North, Suite 500 Nashville, TN 37219 <i>Counsel to Everhart Transportation, Inc.</i>
Robert N. Chambers, President East-West Motor Freight, Inc. c/o Terry Abernathy, Esq. 115 S. Second Street P. O. Box 441 Selmer, TN 38375-0441 <i>Counsel to East-West Motor Freight, Inc.</i>	William H. Shackelford, Jr., Esq. Suite B, 2273 N. Highland Avenue Jackson, TN 38305 <i>Counsel for West Tennessee Express, Inc.; WTX, LLC</i>	Mr. Charles W. Williams, President Brown Trucking, Inc. 1078 CR 11 Hickory Flat, MS 38633
Brown Trucking, Inc. Attn: Judy Ann French, Registered Agent 1242 Orgill Avenue Memphis, TN 38106-3506	Pro-Line Carriers, LLC/ Registered Agent Randall Smith 4400 Harding Road, Suite 204A Nashville, TN 37205	Skyline Transportation, Inc. 131 W. Quincy Ave. Knoxville, TN 37917
Jennings Farm, Inc. 840 Weakley Creek Rd. Lawrenceburg, TN 38464	K & K Trucking, Inc. 147 Transport Dr. Gordonsville, TN 38563	Rife Transport, LLC 8017 Rutledge Pk Knoxville, TN 37924

T A G Transport, Inc. H. Jack Pope, VP 2818 Roane St. Hwy. Harriman, TN 37748	John R. Reed, Inc. P.O. Box 250 Dyer, TN 38330-0250	Rainwater Transport President Jerry T. Rainwater 1867 Jacksboro Pike LaFollette, TN 37766
O M F Trucking/Cancelled 125 Cannery Rd Whitesburg, TN 37891	Tennessee Trucking, Inc., et al P. O. Box 100986 Nashville, TN 37224	Fleeman Transport, Inc. 215 International Drive Lawrenceburg, TN 38464
T&L Transportation Services, Inc. Registered Agent: Roger Hood 343 Bunker Hill Road Cookeville, TN 38501 <i>Registered agent of admin. dissolved co. TCA 48-24-202(d)</i>	United Petroleum Carriers, LLC 491 New Hope Rd Cleveland, TN 37323	Payne Trucking, Inc. 1219 Golf Course Rd Newport, TN 37821
USA Motor Express, Inc. William R. Mahan, VP Risk Mgmt. 4050 Helton Drive Florence, AL 35630	Rollout Express, Inc. 2255 Hwy 70 E Jackson, TN 38305	Smith Trucking, Inc. & Livingston Ready-Mix 1154 Bradford Hicks Dr. Livingston, TN 38570
First Choice Express, Inc. Regstr'd Agent: Roland M. Lowell 315 Deaderick Street, Suite 2075 Nashville, TN 37238 <i>Reg. Agent of admin. dissolved co. TCA 48-24-202(d)</i>	Driver Power, Inc., Driver Power Management, Inc. 200 Hill Avenue, Suite 5 Nashville, TN 37224	T J Harrill Trucking, LLC P. O. Box 9 Madisonville, TN 37354
Bentex Services, Inc. 3020 Seaboard Drive Nashville, TN 37222	Wooten Transports, Inc. 153 Gaston Ave Memphis, TN 38101	Case Enterprises, Inc. P.O. Box 629 Athens, TN 37371-0629
Steve's Trucking, Inc. 680 Hope Street Covington, TN 38019	Ozburn-Hessey Moving & Storage, Inc. 1812 Blue Springs Ct. Franklin, TN 37069-6934	

#### MEMBERS JOINING IN 2003

Shore Trucking, Inc. 3501 Central Park Blvd. Louisville, TN 37777	Shore Tank Lines, Inc. 3501 Central Park Blvd. Louisville, TN 37777	Schrader Trucking, Inc. 10255 Kingston Pike Knoxville, TN 37922
---	---	---

#### OTHER NOTICE PARTIES:

Trucking Services, Inc. Christopher Burress, President 4531 Trousdale Drive Nashville, TN 37204 <i>Respondent</i>	<b>CCMSI/ formerly MSUSA, LLC</b> 4621 W. Napoleon Ave., Suite 310 Metairie, LA 70001	<b>CCMSI</b> Janet Bowman, Account Executive Lora Price, Team Leader 750 Old Hickory Blvd. Bldg 2, Suite 100 Brentwood, TN 37027
Brentwood Services, Inc. P. O. Box 1125 Brentwood, TN 37024-1125 Contact: G. Everett Sinor, Esq.	Tennessee Trucking Association Dale Allen, Esq. Colbert & Winstead 1812 Broadway Nashville, TN 37203	Dan H. Elrod, Esq. Miller & Martin LLP 1200 One Nashville Place 150 Fourth Avenue North Nashville, TN 37219-2433 <i>Former Counsel to TTA-SIGT</i>

Tennessee Department of Labor and Workforce Development  
Division of Workers' Compensation/Uninsured Employer's Fund  
Attn: Mark Finks  
Andrew Johnson Tower, 2nd Floor  
710 James Robertson Pkwy.  
Nashville, TN 37243-0661

Richard C. Mangelsdorf, Jr. Esq.  
Leitner, Williams, Dooley &  
Napolitan, PLLC  
414 Union Street, Suite 1900  
Nashville, TN 37219-1782

Chad Pearman, Esq.  
Manier & Herod  
One Nashville Place, Suite 2200  
150 Fourth Avenue North  
Nashville, TN 3721-2494

No mailings to Members:

Priority Logistics, Inc. & GPW, Inc.

ServiceWay Motor Freight, Inc., in liquidation

Kindrick Trucking, Inc., Debtor in Possession



**BOND CASE/CLAIMS AFFECTED****(12/1/01-1/29/03)****Claims Settled, Court-Approved but Not Paid****Date of Loss=D.O.L.**

Bryan Cofer Attn: James Foglesong, Esq. 602 Gay Street Knoxville, TN 37902 <u>D.O.L. 6/3/02</u>	Freddie Derrick Attn: James Higgins, Esq. 116 3rd Avenue South Nashville, TN 37201 <u>D.O.L. 10/4/02</u>	Richard Phillips Attn: Denise Terry Stapleton, Esq. P.O. Box 724 Morristown, TN 37814 <u>D.O.L. 7/19/02</u>
Eisha Lewis 104 East North D Street Gas City, IN 46933 <u>D.O.L. 12/12/02</u>	Carl Willis Attn: Aubrey Givens, Esq. 208 Third Avenue North Nashville, TN 37201 <u>D.O.L. 1/20/03</u>	Billy Miles Attn: Douglas Omer, Esq. 101 Church Street, Suite 400 Nashville, TN 37201 <u>D.O.L. 1/11/03</u>
JC Hemmings Attn: Joseph R. Ford, Esq. P.O. Box 905 Loudon, TN 37774 <u>D.O.L. 12/20/02</u>	Betty Tanner Attn: Rebecca Robinson, Esq. 123 East Main Street, Suite D Murfreesboro, TN 37130 <u>D.O.L. 11/27/02</u>	Timothy Bolton 11120 Frankford Road Tuscumbia, AL 35674 <u>D.O.L. 9/19/02</u>
Phillip Tosh Attn: Jay Stillman, Esq. 404 James Robertson Pkwy, Suite 104 Nashville, TN 37219 <u>D.O.L. 9/5/02</u>		

**Unresolved Claims (Settlements pending or POC in process):**

Belton Dickens Attn: David Peluso 106 E. Main Street Hohenwald, TN 38462 <u>D.O.L. 1/11/03</u>	George Brack Attn: Gary Gober, Esq. 200 4th Ave. North, Ste 700 Nashville, TN 37219 <u>D.O.L. 10/31/02</u>	Kenny Dedrick Attn: James Y. Ross, Sr., Esq. P.O. Box 1359 Waynesboro, TN 38485 <u>D.O.L. 8/6/02</u>
Gary Womack Attn: R. Steven Waldron, Esq. 202 West Main Street Murfreesboro, TN 37130 <u>D.O.L. 5/12/02</u>	Douglas Pippin Attn: Thomas Mink, II, Esq. 316 Waterloo Street Lawrenceburg, TN 38464 <u>D.O.L. 1/11/03</u>	

**POC in process:**

<p>Terry Hunt Attn: David Hardee, Esq. P.O. Box 98 Jackson, TN 38302 <u>D.O.L. 5/23/02</u></p>	<p>David Crum Attn: Thomas Travaglini, Esq. P.O. Box 1245 Madison, TN 37116 <u>D.O.L. 1/6/03</u></p>	<p>Larry Raleigh Attn: Ronald Thurman, Esq. 9 South Jefferson Avenue, Suite 101 Cookeville, TN 38501 <u>D.O.L. 1/6/02</u></p>
<p>Edward Rogers Attn: Ronald Thurman, Esq. 9 South Jefferson Avenue, Suite 101 Cookeville, TN 38501 <u>D.O.L. 7/5/02</u></p>	<p>Joe Jackson Attn: Michael Munsey, Esq. 1315 Euclid Avenue, Bldg E, Ste. 2 Bristol, VA 24203 <u>D.O.L. 1/23/03</u></p>	<p>Gerald Etheridge Attn: Gene Hallworth, Esq. P.O. Box 938 Columbia, TN 38402-0938 <u>D.O.L. 1/9/03</u></p>
<p>Darrell Henry Attn: Kelly Williams, Esq. 306 West Broad Street Livingston, TN 38570 <u>D.O.L. 11/12/02</u></p>	<p>Wanda Jeffries Attn: Jess Campbell, Esq. 100 West Summit Hill Dr. Knoxville, TN 37902 <u>D.O.L. 1/17/02</u></p>	<p>Paul Dickie Attn: Gary Gober, Esq. 200 4th Avenue North, Suite 700 Nashville, TN 37219 <u>D.O.L. 9/11/02</u></p>
<p>David Gutierrez Attn: John Dupree, Esq. 709 Market Street, Suite 2 Knoxville, TN 37902 <u>D.O.L. 4/13/02</u></p>		

**Pending Unresolved Liquidator Denied Claims - on Appeal**

<p>Crosby Lucky 2607 Serigny Drive Mobile, AL 36605 <u>D.O.L. 12/30/02</u></p>	<p>David Gary Attn: Frank H. Shaw, Jr., Esq. 133 East Jefferson Street Kosciusko, MS 39090 <u>D.O.L. 10/7/02</u></p>	
--	--	--

**Service to other Claimants affected by Order:****(Opt-Outs of Liquidation Process/ not Bond-eligible ):**

<p>David Howard Attn: Don Zuccarello, Esq. 3209 West End Avenue Nashville, TN 37203 <u>D.O.L. 9/18/02</u></p>	<p>Troy Sepulveda 420 Johnny Stiefel Dr. Sequatchie, TN 37374 <u>D.O.L. 6/27/02</u></p>	<p>John Lowery, esq. 1605 17th Avenue South Nashville, Tn 37212</p>
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<p>Paul Harper Attn: Larry Liebowitz, Esq. 608 S. Gay Street Knoxville, TN 37902 <u>D.O.L. 9/17/02</u></p>		
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